
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Freeman Corporation Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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FREEMAN CORPORATION LIMITED
民豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

**PLACING OF REDEEMABLE CONVERTIBLE NOTES
AND REFRESHMENT OF GENERAL MANDATES**

A notice convening the EGM (as defined herein) to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Monday, 27 August, 2007 at 11:00 a.m. is set out on pages 28 to 31 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed with this circular.

If you are not able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of it should Shareholders so wish.

9 August, 2007

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning ascribed thereto under the Listing Rules
“Best Efforts Notes”	convertible notes in the aggregate principal amount of HK\$1,250,000,000 to be placed on a best effort basis by the Placing Agent forming part of the series of Convertible Notes
“Best Efforts Condition Precedent”	the condition precedent referred to in the section headed “further conditions for the issue of each tranche of Best Efforts Notes” in this circular
“Best Efforts Placing Period”	a period of 90 Days from the date of satisfaction of the Initial Condition Precedent
“Business Days”	a day on which banks are open for business in Hong Kong (excluding Saturday)
“Company”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Connected Person(s)”	the meaning ascribed thereto in the Listing Rules
“Convertible Notes”	a series of convertible notes (comprising the Underwritten Notes and the Best Efforts Notes) of up to an aggregate principal amount of HK\$1,500,000,000 proposed to be issued by the Company
“Convertible Notes Placing”	the placing of the Convertible Notes (the Best Efforts Notes and the Underwritten Notes) up to an aggregate principal amount of HK\$1,500,000,000 by the Placing Agent pursuant to the Placing Agreement
“Conversion Shares”	the Shares to be issued by the Company as a result of the exercise of the conversion rights attaching to the Convertible Notes
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Monday, 27 August, 2007 at 11:00 a.m. at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong to approve, inter alia, the Placing Agreement, the Convertible Notes Placing and the refreshment of the General Mandates

DEFINITIONS

“Extension Mandate”	the extension of the Issue Mandate to include the Shares repurchased under the Repurchase Mandate
“General Mandates”	the general mandates to issue and repurchase shares granted to Directors at the extraordinary general meeting of the Company held on 22 June, 2007
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent committee of the Board appointed by the Directors to advise the Independent Shareholders in respect of the Issue Mandate and the Extension Mandate
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, who are Dr. Yang Fan Shing, Andrew and his associates (including his wife and Parkson Group Limited), Mr. Kwong Wai Tim, William, Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue and their respective associates
“Initial Condition Precedent”	the condition precedent referred to in paragraph (i) of the section headed “Initial Condition Precedent”
“Initial Conversion Price”	the initial conversion price of HK\$0.15 per Conversion Share (subject to adjustments)
“Issue Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
“Latest Practicable Date”	6 August, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agreement”	the placing agreement dated 11 July, 2007 between the Company and the Placing Agent to place the Convertible Notes of up to the aggregate principal amount of HK\$1,500,000,000
“Placing Agent”	Chung Nam Securities Limited, a company licensed under the Securities and Futures Ordinance to carry out Type 1 regulated activities

DEFINITIONS

“Repurchase Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to exercise power of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM
“Share(s)”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	the holders of the Shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Underwritten Completion”	a date falling three business days after the date of notification by the Placing Agent to the Company that it wishes to proceed to completion of the placing of the Underwritten Notes (or such other earlier date as the parties may agree) provided that the latest date for completion shall be the 14th business day after the expiry of the Underwritten Placing Period
“Underwritten Notes”	convertible notes in the aggregate principal amount of HK\$250,000,000 to be placed on an underwritten basis by the Placing Agent forming part of the series of Convertible Notes
“Underwritten Condition Precedent”	the condition precedent referred to in the section headed “further conditions for the issue of the Underwritten Notes” in this circular
“Underwritten Placing Period”	a period of 90 days from the date of satisfaction of the conditions precedent of the issue of the Convertible Notes
“Menlo”	Menlo Capital Limited, an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Issue Mandate and the Extension Mandate. Menlo is a licensed corporation to conduct type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance

LETTER FROM THE BOARD



FREEMAN CORPORATION LIMITED

民豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

Executive Directors:

Dr. Yang Fan Shing, Andrew (*Chairman*)
Mr. Kwong Wai Tim, William (*Managing Director*)
Ms. Kwok Wai Ming
Ms. Au Shuk Yee, Sue

Registered Office:

P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

Independent Non-executive Directors:

Mr. Chiu Siu Po
Ms. Hui Wai Man, Shirley
Mr. Gary Drew Douglas
Mr. Peter Temple Whitelam

*Principal place of
business in Hong Kong:*

8th Floor
China United Centre
28 Marble Road
North Point, Hong Kong

9 August, 2007

To the Shareholders,

Dear Sir or Madam,

PLACING OF REDEEMABLE CONVERTIBLE NOTES AND REFRESHMENT OF GENERAL MANDATES

INTRODUCTION

It was stated in the announcement issued by the Company dated 11 July, 2007 that on 11 July, 2007, the Company entered into the Placing Agreement with the Placing Agent.

The Placing Agreement is conditional upon the approval of Shareholders at the EGM. The purpose of this circular is to provide you with further information on the Placing Agreement.

The Board proposes, inter alia, to (i) refresh the General Mandates for the Directors to issue and repurchase Shares not exceeding 20% and 10% respectively of the issued share capital of the Company as at the date of the EGM, and to extend the Issue Mandate so that the Directors be given a general mandate to issue further Shares equal to the number of Shares repurchased under the Repurchase Mandate;

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information regarding, among other things, (i) the Placing of Convertible Notes; (ii) the Issue Mandate and the Extension Mandate; (iii) the recommendation from the Independent Board Committee on the Issue Mandate and the Extension Mandate; (iv) the recommendation from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders on the Issue Mandate and the Extension Mandate; and (v) the notice convening the EGM.

THE CONVERTIBLE NOTES PLACING

The Placing Agreement contains the terms set out below:-

Issuer: The Company

Placing Agent: Chung Nam Securities Limited. To the best of the director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company.

The Company understands that the Placing Agent will enter into sub-underwriting arrangements with sub-underwriters, if required, with respect to the Underwritten Notes so that it is expected that the Placing Agent and the sub-underwriters (if any) will not be a substantial shareholder of the Company upon completion of the placing of the Underwritten Notes.

The Placing Agreement: On 11 July, 2007, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent will procure placees to subscribe in cash for the Best Efforts Notes up to an aggregate principal amount of HK\$1,250,000,000 (on a best efforts basis) during the Best Efforts Placing Period and for the Underwritten Notes in the aggregate principal amount of HK\$250,000,000 (on an underwritten basis) during the Underwritten Placing Period.

The Company has agreed that the Placing Agent may, at any time during the Best Efforts Placing Period, require the Company to issue the Best Efforts Notes in up to five separate tranches with the principal amount of the Best Efforts Notes comprised in each tranche to be not less than HK\$100,000,000 and the maximum aggregate principal amount of the Best Efforts Notes for all tranches not to exceed HK\$1,250,000,000. Further announcement will be made at the time of issue of each tranche of the Best Efforts Notes.

LETTER FROM THE BOARD

Initial Condition Precedent: Subject to the fulfillment of the respective conditions precedent in respect of the placing of the Underwritten Notes and the placing of the Best Efforts Notes, the issue of the Convertible Notes is conditional upon the passing of a resolution(s) at the EGM by Shareholders to approve the Placing Agreement, the issue of the Convertible Notes and the issue of the Conversion Shares upon the exercise of conversion rights under the Convertible Notes.

If the Initial Condition Precedent is not fulfilled on or before 4 September, 2007 (or such later date as may be agreed between the Placing Agent and the Company), the Placing Agreement shall thereupon lapse and become null and void and the parties will automatically be released from all obligations hereunder, save for any liability arising out of any antecedent breaches.

Further condition for the issue of the Underwritten Notes: In addition to the fulfillment of the Initial Condition Precedent, completion of the issue of the Underwritten Notes shall be conditional upon the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of conversion rights under the Underwritten Notes.

If the additional condition for the Underwritten Notes set out above is not fulfilled on or before the earlier of (a) 14 days from the date of notification of the Placing Agent that it has procured subscribers for the Underwritten Notes or (b) 14 days after the expiry of the Underwritten Placing Period, or on such later date as may be agreed between the Placing Agent and the Company, then the obligations of parties in respect of the issue of the Underwritten Notes shall lapse.

Completion of the issue of the Underwritten Notes is to take place on the date of the Underwritten Completion.

Further condition for the issue of each tranche of Best Efforts Notes: In addition to the fulfillment of the Initial Condition Precedent, completion of each tranche of the Best Efforts Notes shall be conditional upon the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) listing of and permission to deal in the Conversion Shares to be issued upon the exercise of conversion rights under such tranche of the Best Efforts Notes.

LETTER FROM THE BOARD

If the condition for a tranche of the Best Efforts Notes set out above are not fulfilled within 14 days from the date of notification of the Placing Agent that the Placing Agent has procured subscribers for such tranche of Best Efforts Notes or such other date as the parties may agree in writing, then the obligations of the parties in respect of the issue of such tranche of the Best Efforts Notes will lapse. Each notification of the Placing Agent, once given, is irrevocable, unless agreed to by both parties in writing.

- Conversion Price: The initial conversion price of HK\$0.15 per Conversion Share was arrived at after arm's length negotiation between the Company and the Placing Agent and represents (i) a discount of approximately 26.1% to the closing price of HK\$0.203 per Share quoted on the Stock Exchange on 10 July, 2007, the trading day before the date of suspension of dealings in shares of the Company pending the issue of the announcement relating to the placing of the Convertible Notes; (ii) a discount of approximately 31.2% to the average closing price per Share of approximately HK\$0.218 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares ended on 9 July, 2007 and (iii). a discount of approximately 29.0% to the average Closing Price per Share of approximately HK\$0.211 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ended on 9 July, 2007.
- Conversion Shares: Assuming all the Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the HK\$1,500,000,000 principal amount of the Convertible Notes at the Initial Conversion Price, a total of 10,000,000,000 Conversion Shares will be issued, representing approximately 153.4% of the existing issued share capital of the Company of 6,519,312,473 Shares and approximately 60.5% of the Company's issued share capital as enlarged by the issue of the Conversion Shares at the Initial Conversion Price.
- Placing Agent: The Placing Agent will receive a placement commission of 2.5% on the gross proceeds of the Underwritten Notes and 2.5% of the gross proceeds each tranche of the Best Efforts Notes placed under the Convertible Notes Placing.
- Places: The Placing Agent will use its reasonable endeavours to ensure that the places are third parties independent of the Company and Connected Persons of the Company.

LETTER FROM THE BOARD

It is presently expected that there will be a minimum of six places for the placing of the Underwritten Notes and each tranche of the Best Efforts Notes in an aggregate principal amount of not less than HK\$100,000,000. The Company expects that there will not be any substantial shareholder (holding more than 10% of the issued share capital of the Company) as a result of completion of the Convertible Notes Placing.

Completion for each tranche of Best Efforts Notes is to take place on the third Business Day after the date of fulfillment of condition of such tranche of Best Efforts Notes (or such other date as the parties may agree in writing). An announcement will be made at the time of issue of each tranche of the Best Efforts Notes.

Termination:

So far as it relates to the Underwritten Notes only, if, at any time prior to 9:00 a.m. on the date of the Underwritten Completion, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not *eiusdem generis* with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or

LETTER FROM THE BOARD

- (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Company's securities on the Stock Exchange occurring due to exceptional financial circumstances; or
- (d) a change or development involving a prospective change in taxation in Hong Kong or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Company or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate its obligations to underwrite the Underwritten Notes without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 9:00 p.m. on the date of the Underwritten Completion.

The terms of the Convertible Notes is set out in the Appendix I to this Circular.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

The information is below is extracted from the register of interests maintained by the Company pursuant to the SFO, as at the Latest Practicable Date:

Name of Shareholders	As at the Latest Practicable Date		Assuming full conversion of the Underwritten Notes (up to the principal amount of HK\$250 million) and no further shares are issued from the Latest Practicable Date till the date of conversion		Assuming full conversion of the Convertible Notes (up to the principal amount of HK\$1,500 million) and no further shares are issued from the Latest Practicable Date till the date of conversion	
	Shares	% of shareholding	Shares	% of shareholding	Shares	% of shareholding
Directors and their associates (Note 1)	54,500,000	0.84	54,500,000	0.67	54,500,000	0.33
Parkson Group Limited (Note 2)	396,000,000	6.07	396,000,000	4.84	396,000,000	2.40
Willie International Holdings Limited (Note 3)	520,618,000	7.99	520,618,000	6.36	520,618,000	3.15
Unity Investments Holdings Limited (Note 4)	386,532,000	5.93	386,532,000	4.72	386,532,000	2.34

PUBLIC SHAREHOLDERS

Holders of Convertible Notes	-	-	1,666,666,667	20.36	10,000,000,000	60.54
Others	<u>5,161,662,473</u>	<u>79.17</u>	<u>5,161,662,473</u>	<u>63.05</u>	<u>5,161,662,473</u>	<u>31.24</u>
Total	<u><u>6,519,312,473</u></u>	<u><u>100.00</u></u>	<u><u>8,185,979,140</u></u>	<u><u>100.00</u></u>	<u><u>16,519,312,473</u></u>	<u><u>100.00</u></u>

Notes:

- Dr. Yang Fan Shing, Andrew, being a Director, and his wife Ms. Liu Lai Shim, Regina have personal interests in 30,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest in 22,500,000 Shares.
- Dr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
- The shares of Willie International Holdings Limited (stock code: 273) are listed on the main board of the Stock Exchange.
- The shares of Unity Investments Holdings Limited (stock code: 913) are listed on the main board of the Stock Exchange.

LETTER FROM THE BOARD

DILUTION EFFECT ON SHAREHOLDERS

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attaching to the Convertible Notes, for so long as any of the Convertible Notes are outstanding, the Company will keep shareholders informed of the level of dilution and details of conversion as follows:-

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange and the Company. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (a) whether there is any conversion of the Convertible Notes during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (b) the outstanding principal amount of the Convertible Notes after the conversion, if any;
 - (c) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company;
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month; and
- (ii) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange and the Company including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be), up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be).

LETTER FROM THE BOARD

REASONS FOR THE CONVERTIBLE NOTES PLACING

The Convertible Notes Placing provides a good opportunity to raise funds and to enlarge the capital base of the Company. The aggregate net proceeds from the Convertible Notes Placing is approximately HK\$1,460 million. The Convertible Notes Placing will equip the Company with readily available funds which is intended to be used wholly for the expansion of its current business including the insurance business and related financial services business.

The Directors are of the view that the Convertible Notes Placing is in the interest of the Company and its Shareholders as a whole because:-

- (a) the placing of Convertible Notes provides a less costly way of financing for the Company. The Company has considered other methods of financing such as bank borrowings and noted that the costs of such borrowings are higher than the placing of Convertible Notes which is non interest bearing; and
- (b) the placing of Convertible Notes as opposed to placing of new Shares also does not create an immediate dilution effect on the existing shareholders unless and until the conversion rights under the Convertible Notes are exercised. The holders of Convertible Notes are also not entitled to any voting rights before conversion.

ISSUE MANDATE AND EXTENSION MANDATE

Since the last annual general meeting of the Company held on 28 August, 2006, the Company has refreshed the general mandate to issue and allot shares at extraordinary general meetings held on 29 December, 2006, 2 April, 2007 and 22 June, 2007. Details of amount of funds raised by such refreshments of the general mandate is referred to in paragraphs (1), (3), (6) and (7) respectively in the section headed "Fund raising activities of the Company in the last 12 months" on pages 13 to 15 of this circular. As at the Latest Practicable Date, 94 Shares remains un-utilized by the Company under the General Mandates.

In order to provide a flexible means for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board proposes to refresh the general mandates for the Directors to (i) issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM; (ii) repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM; and (iii) by a separate ordinary resolution, extend the Issue Mandate so that the Directors be given a general mandate to issue further Shares equal to the number of Shares repurchased under the Repurchase Mandate, provided that such amount does not exceed 10% of the Shares in issue as at the date of the EGM.

An explanatory statement containing information relating to the Repurchase Mandate as required pursuant to the Listing Rules, is set out in Appendix II to this circular.

Each of the Issue Mandate and the Extension Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the Issue Mandate and the Extension Mandate will be subject to the Independent Shareholders'

LETTER FROM THE BOARD

approval by way of poll at the EGM at which the controlling shareholders (as such term is defined in the Listing Rules) and their associates or if there are no controlling shareholders, the Directors (excluding the independent non-executive directors) and their associates to abstain from voting in favour of the resolution to be proposed in respect of the Issue Mandate and the Extension Mandate. As at the Latest Practicable Date, the Company did not have any "controlling shareholder" (as such term is defined in the Listing Rules). As at the Latest Practicable Date, out of the four executive directors of the Company only Dr. Yang Fan Shing, Andrew and Ms. Kwok Wai Ming held Shares as referred to in Note 1 of the section headed "Shareholding Structure" of page 10 of this circular. The Directors, Dr. Yang and his associates (including, his wife and Parkson Group Limited), Ms. Kwok Wai Ming and Ms. Au Shuk Yee, Sue, Mr. Kwong Wai Tim, William and their respective associates to the extent they hold any Shares, are required to abstain from voting in favour of the Issue Mandate and the Extension Mandate at EGM.

Based on 6,519,312,473 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased or issued prior to the EGM, subject to the passing of the relevant ordinary resolutions to approve the Issue Mandate and the Extension Mandate at the EGM, the Directors will be authorized to allot and issue up to 1,303,862,494 Shares under the Issue Mandate and to repurchase up to 651,931,247 Shares under the Repurchase Mandate.

As at the Latest Practicable Date, the Company has no present intention to exercise the Issue Mandate to allot and issue any new Shares.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Issue Mandate and the Extension Mandate. Menlo has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in this regard.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST 12 MONTHS

Date of agreement	Transaction	Net proceeds raised/to be raised	Intended use of proceeds	Actual use of proceeds
(1) 20 October, 2006	placing of 66,000,000 new Shares under the placing agreement dated 18 October, 2006	HK\$16.17 million	To be used for general working capital	HK\$3.38 million as deposit to acquire a property and HK\$12.79 million as general working capital
(2) 22 November, 2006	placing of convertible notes with a principal amount of up to HK\$300 million (Note)	HK\$52.2 million (Note)	To be used for strengthening and developing financial services arm of the Group which include the establishing of the new life insurance business of the Group	HK\$52.2 million placed into the general working capital pool of the Company and such amount is intended for the purposes of its business as described in the intended use of proceeds for this placing

LETTER FROM THE BOARD

Date of agreement	Transaction	Net proceeds raised/to be raised	Intended use of proceeds	Actual use of proceeds
(3) 21 February, 2007	placing of 346,000,000 new Shares on a fully underwritten basis	HK\$33.8 million	To be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong	HK\$33.8 million placed into the general working capital pool of the Company and such amount is intended for the purposes of its business as described in the intended use of proceeds for this placing
(4) 21 February, 2007	placing of 654,000,000 new Shares on a best effort basis	HK\$64.3 million	To be used for general working capital and/or possible investment in future including, subject to the regulatory requirements and approvals, the set up of a life insurance company authorized to conduct long term business in Hong Kong	HK\$10 million has been injected into the wholly-owned subsidiary which was established for conducting long term life insurance business in Hong Kong and the remaining balance of HK\$54.3 million kept as general working capital
(5) 23 March, 2007	rights issue of not less than 1,236,986,824 rights shares and not more than 1,564,736,824 rights shares on the basis of one rights share for every two existing Shares	HK\$182.0 million	To be used for the possible acquisition of companies engaging in the insurance business and the development of insurance and financial services business, and to strengthen the Company's existing investments in financial service industry which include the trading of securities, provision of finance, insurance business and investment holding.	HK\$182.0 million placed into the general working capital pool of the Company and such amount is intended for the purposes of expansion of its business as described in the intended use of proceeds for this rights issue

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Date of agreement	Transaction	Net proceeds raised/to be raised	Intended use of proceeds	Actual use of proceeds
(6) 21 May, 2007	placing of 494,000,000 new Shares under the placing agreement dated 21 May, 2007	HK\$62.18 million	To be used as part of the HK\$300 million funding expected to be capitalized for the Group's financial services businesses including the insurance agency, life insurance, corporate finance advisory, proprietary trading, underwriting and financial related business.	HK\$62.18 million placed into the general working capital pool of the Company and such amount is intended for the Group's businesses as described in the intended use of proceeds for this placing
(7) 29 June, 2007	placing of 1,086,552,000 new shares under placing agreement dated 29 June, 2007	HK\$193.0 million	To be used as the funding for the Group's financial services businesses including the insurance agency and life insurance businesses.	HK\$193.0 million placed into the general working capital pool of the Company and such amount is intended for the Group's business as described in the intended use of proceeds for this placing

Note: Pursuant to a conditional convertible notes placing agreement dated 20 November, 2006 entered into between the Company and a placing agent in relation to the placing of convertible notes in an aggregate principal amount of HK\$300 million, out of which convertible notes in the aggregate principal amount of HK\$100 million have been placed on a fully underwritten basis. Convertible notes of up to HK\$200 million to be placed on a best effort basis did not proceed as a result of the termination of this placing agreement on 16 February, 2007 as announced by the Company on 21 February, 2007. The convertible notes in the aggregate principal amount of HK\$100 million have been (i) redeemed by the Company in the principal amount of HK\$45 million; and (ii) converted into the Shares in the principal amount of HK\$55 million by certain holders of the convertible notes.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 76 of the Articles of the Company sets out the following procedure by which Shareholders may demand a poll.

At any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:—

- (i) by the Chairman; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 17 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders concerning the Issue Mandate and the Extension Mandate and the letter from the Independent Financial Adviser set out on pages 18 to 23 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders in this regard. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser in relation to the Issue Mandate and the Extension Mandate, is of the opinion that the Issue Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommended the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Issue Mandate and the Extension Mandate.

The Board is of the opinion that the terms of the Placing Agreement are fair, reasonable and in the best interest of the Company and Shareholders as a whole, and recommends you to vote in favour of the resolution to be proposed at the EGM to approve the Placing Agreement.

Whether or not Shareholders are able to attend the EGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM should Shareholders so wish.

Yours faithfully
For and on behalf of the Board
Freeman Corporation Limited
Kwong Wai Tim, William
Managing Director



FREEMAN CORPORATION LIMITED

民豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

9 August, 2007

To the Shareholders,

Dear Sir or Madam,

RENEWAL OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We have been appointed as the Independent Board Committee to advise you in connection with the Issue Mandate and the Extension Mandate, details of which are set out in the letter from the Board in a circular dated 9 August, 2007 issued by the Company to the Shareholders (the “Circular”), of which this letter forms a part. The terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Your attention is drawn to the letter from the Independent Financial Adviser concerning its advice to us regarding the Issue Mandate and the Extension Mandate as set out on pages 18 to 23 of the Circular. Having considered the advice given by the Independent Financial Adviser and the principal factors and reasons taken into consideration by them in arriving at its advice, we are of the opinion that the Issue Mandate and the Extension Mandate are in the best interests of the Company and its Shareholders as a whole, and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Issue Mandate and the Extension Mandate.

Yours faithfully

The Independent Board Committee

Chiu Siu Po, Hui Wai Man, Shirley, Gary Drew Douglas and Peter Temple Whitlam

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter from Menlo Capital Limited for the purpose of incorporation in this circular, in connection with its advice in relation to the refreshment of the General Mandates:



Menlo Capital Limited

Room 06, 1st Floor, Beautiful Group Tower
77 Connaught Road Central
Hong Kong

9 August, 2007

*To the Independent Board Committee and the Independent Shareholders of
Freeman Corporation Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATES TO ISSUE AND ALLOT SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Issue Mandate and the Extension Mandate, details of which are set out in the Letter from the Board (the Board Letter) contained in the circular (the Circular) issued by the Company to the Shareholders dated 9 August, 2007 of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

As at the Latest Practicable Date, the General Mandate had been utilized as to 1,086,552,000 Shares (being approximately 100% of the 1,086,552,094 Shares that are allowed to be allotted and issued under the Existing General Mandate). In order to provide a flexible mean for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board proposes to refresh (i) the Issue Mandate; (ii) the Repurchase Mandate; and (iii) the Extension Mandate.

The Independent Board Committee, comprising Mr. Chiu Siu Po, Ms. Hui Wai Man, Shirley, Mr. Gary Drew Douglas and Mr. Peter Temple Whitelam, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned and whether the Issue Mandate and the Extension Mandate are in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In formulating our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, facts and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred in the Circular.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the Issue Mandate and the Extension Mandate, we have taken the following principal factors and reasons into consideration:

I. Background

The principal activity of the Company is investment holding. The Group is principally engaged in the trading of securities, provision of finance, property holding, insurance business and investment holding.

At the extraordinary general meeting of the Company held on 22 June, 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot up to 1,086,552,094 Shares, which is equivalent to 20% of the then issued share capital of the Company and (ii) to repurchase up to 543,276,047 Shares on the Stock Exchange, representing 10% of the then issued share capital of the Company.

During the period from the date of grant of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate had been utilized as to 1,086,552,000 Shares (being approximately 100% of the 1,086,552,094 that are allowed to be allotted and issued under the Existing General Mandate). The Company has 6,519,312,473 Shares in issue as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

II. Current resources and financial flexibility

In order to provide a flexible mean for the Company to raise further funds and/or to procure potential merger and acquisition opportunities through the issue of new Shares for its future business development, the Board proposes to refresh the general mandates for the Directors to (i) issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM; (ii) repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM; and (iii) by a separate ordinary resolution, extend the Issue Mandate so that the Directors be given a general mandate to issue further Shares equal to the number of Shares repurchased under the Repurchase Mandate.

Based on the 6,519,312,473 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased and issued prior to the EGM, subject to the passing of the relevant ordinary resolutions to approve the Issue Mandate and the Extension Mandate at the EGM, the Directors will be authorized to allot and issue up to a limit of 1,303,862,494 Shares under the Issue Mandate; and to repurchase up to 651,931,247 Shares under the Repurchase Mandate. The Directors consider that the Issue Mandate and the Repurchase Mandate will enhance the flexibility for the Company to manage its business and therefore the Issue Mandate and the Extension Mandate are fair and reasonable and the granting of the Issue Mandate and the Extension Mandate are in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, the Company has no present intention to exercise the Issue Mandate issue any new Shares.

In the event that the Group identifies a suitable investment opportunity but does not have sufficient cash resources on hand, and if it fails to obtain debt financing on terms which the Directors consider acceptable to the Group or raise funds from the equity capital market, or it cannot find other alternatives to finance the acquisition of such investment opportunities in a timely manner, the Group may lose its bid for an otherwise favourable investment. The Group will be in a disadvantageous position if it is unable to obtain sufficient funds in a timely manner to finance a potential investment. Therefore, the Directors consider that the Issue Mandate and the Extension Mandate will enhance the flexibility for the Company to manage its business and therefore the Issue Mandate and the Extension Mandate are fair and reasonable and the granting of the Issue Mandate and the Extension Mandate are in the interests of the Company and the Shareholders as a whole.

In view of the above, we consider that the granting of the Issue Mandate and the Extension Mandate could enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, through placing of Shares for further development of the Group. In addition, the Directors consider that if investment or acquisition opportunities arise, a decision may have to be made within a short period of time. The Issue Mandate and the Extension Mandate could provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to raise capital through placement of Shares as consideration for funding such potential investments and/or acquisitions in the future as and when such opportunities arise. The increase in the amount of capital which may be raised under the Issue Mandate and the Extension Mandate would improve the overall financial position of the Group which in turn could provide more options for financing to the Group when assessing and negotiating potential investments and/or acquisitions in a timely manner. Accordingly, we are of the opinion that the refreshment of the Issue Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders as a whole

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

III. Other financing alternatives

In appropriate circumstances, other than raising funds by way of issuing equity capital, the Directors will also consider other financing methods such as debt financing or internal cash resources to fund its future business development, depending on the then financial position of the Group.

Subject to the then market condition, the Directors will consider and conducting an equity fund raising exercise by issuing Shares, which may or may not result in the exercise of the Issue Mandate and the Extension Mandate, to prepare for future business development of the Group. As at the Latest Practicable Date, the Company has no intention to exercise the Issue Mandate and the Extension Mandate to allot and issue any new Shares.

As advised by the Directors, the Issue Mandate and the Extension Mandate provides another alternative to the Directors to raise financing for the Group businesses and the Directors will use such method of financing which serves the best interest of the Group. We consider that it is sensible and reasonable for the Directors to make reference to the then financial position of the Group in order to decide on the financing method for the future development of the Group.

IV. Potential dilution to shareholding of the Independent Shareholders

Set out below is a table showing (i) the shareholding structure of the Company as at the date of the Announcement and as at the Latest Practicable Date; and (ii) for illustrative purpose, the shareholding structure of the Company upon full utilization of the Issue Mandate (assuming that the Issue Mandate will be approved at the EGM and that no new Shares will be issued or no Shares will be repurchased by the Company between the Latest Practicable Date and the date of the EGM):

Shareholders	As at the date of the announcement dated 11 July, 2007		As at the Latest Practicable Date		Immediately upon full utilization of the Issue Mandate	
	Shares	%	Shares	%	Shares	%
Directors and their associates (Note 1)	54,500,000	0.84	54,500,000	0.84	54,500,000	0.70
Parkson Group Limited (Note 2)	396,000,000	6.07	396,000,000	6.07	396,000,000	5.06
Willie International Holdings Limited (Note 3)	484,618,000	7.43	520,618,000	7.99	520,618,000	6.65
Unity Investments Holdings Limited (Note 4)	386,532,000	5.93	386,532,000	5.93	386,532,000	4.94
Lehman Brothers Holdings Inc. (Notes 5)	338,884,000	5.20				
Shares to be issued under the Issue Mandate	-	-	-	-	1,303,862,494	16.67
Public	4,858,778,473	74.53	5,161,662,473	79.17	5,161,662,473	65.98
Total	6,519,312,473	100.00	6,519,312,473	100.00	7,823,174,967	100.00

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Dr. Yang Fan Shing, Andrew, being a Director, and his wife have personal interests in 30,000,000 Shares and 2,000,000 Shares respectively; Ms. Kwok Wai Ming, being another Director, has a personal interest in 22,500,000 Shares.
2. Dr. Yang Fan Shing, Andrew, being a Director, beneficially owns the entire issued share capital of Parkson Group Limited.
3. The shares of Willie International Holdings Limited (stock code: 0273) and Unity Investments Holdings Limited (stock code: 0913) are both listed on the main board of the Stock Exchange.
4. The shares of Unity Investments Holdings Limited (stock code: 0913) are listed on the main board of the Stock Exchange.
5. Lehman Brothers Holdings Inc. indirectly wholly owns Lehman Brothers Commercial Corporation Asia Limited which held 326,828,000 Shares as at the date of the Announcement.

As can be seen from the above table, the aggregate shareholding of the existing public Shareholders will be decreased from approximately 79.17% as at the Latest Practicable Date to approximately 65.98% upon full utilization of the Issue Mandate.

Taken into account that (i) the Issue Mandate and the Extension Mandate provides a financial flexibility to the Group for further development of its business as well as in other potential investments and/or acquisitions as and when such opportunities arises in the future; and (ii) the Issue Mandate and the Extension Mandate provides an alternative to raise new equity capital for the Company; and (iii) the shareholding of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilization of the Issue Mandate, we consider that the above potential dilution to the shareholding of the Independent Shareholders to be justifiable.

V. Terms of the Issue Mandate

Pursuant to Rule 13.36(4) of the Listing Rules, the Company will be convening the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the Issue Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the ordinary resolution; and
- (ii) the Director be granted the Extension Mandate that the Issue Mandate be extended to issue Shares equal to the number of Shares repurchased by the Company pursuant to the general mandate granted to the Directors at the EGM.

Shareholders should note that the Existing General Mandate (subject to the extent that such authority has not been exercised) will be revoked upon approval at the EGM of the Issue Mandate and the Issue Mandate will be in force until the earliest of (i) the conclusion of the Company next

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the authority given under the relevant resolution to approve the Issue Mandate by ordinary resolution of the Shareholders in general meeting of the Company.

RECOMMENDATION

Having taken into consideration of the above principal factors and reasons, we are of the view that the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Issue Mandate and the Extension Mandate.

Yours faithfully,
For and on behalf of
Menlo Capital Limited
Michael Leung
Director

The following describes certain of the principal terms of the Convertible Notes:–

Aggregate principal amount of the Convertible Notes:	Up to HK\$1,500,000,000
Maturity Date:	31 March, 2011 (the “Maturity Date”). On the Maturity Date, all of the remaining outstanding Convertible Notes will be redeemed by the Company at 100% of the outstanding principal amount of the Convertible Notes.
Authorised denomination for issue, transfer, conversion and redemption:	HK\$5,000,000
Conversion:	The holder of the Convertible Notes can convert the outstanding principal amount of each Convertible Note in whole or in part into Shares at any time from the relevant date of issue until a date falling seven days prior to (and excluding) the relevant Maturity Date.
Initial Conversion Price:	HK\$0.15 per Conversion Share, subject to adjustments in certain events, including share consolidations, share subdivisions, capitalisation issues, capital distributions, rights issues and issues of other securities.
Interest rate:	The Convertible Notes will be non interest bearing.
Transferability:	The Convertible Notes will be transferable only with the prior written consent of the Company and in particular, the Convertible Notes may not be transferred to a Connected Person of the Company without the prior written consent of the Company.
Voting:	A holder of Convertible Notes will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it being a holder of Convertible Notes.
Listing:	No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. Applications will be made by the Company for the listing of, and permission to deal in, the Conversion Shares (if any) to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes.
Ranking:	The Conversion Shares to be issued as a result of the exercise of the conversion rights to the Convertible Notes will rank pari passu in all respects with all other Shares outstanding on the date the name of the noteholder is entered on the register of the members of the Company as a holder of the Conversion Shares.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information in relation to the Repurchase Mandate for your consideration.

SHARE CAPITAL

As at the Latest Practicable Date, there were 6,519,312,473 Shares in issue. Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the date of the EGM, the Company would be authorised to repurchase up to a maximum of 651,931,247 Shares.

REASONS FOR THE REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchase may, depending on marketing conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

FUNDING OF THE REPURCHASES

In repurchasing the securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the laws of the Cayman Islands. Any purchases may be made out of profits or out of an issue of new Shares made for the purpose of the purchase or, if authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

There should not be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts of the Company for the year ended 31 March, 2007), in the event that the proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:-

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2006		
August	0.146	0.129
September	0.181	0.140
October	0.243	0.177
November	0.233	0.188
December	0.210	0.150
2007		
January	0.157	0.126
February	0.141	0.117
March	0.204	0.114
April	0.158	0.124
May	0.222	0.127
June	0.280	0.181
July	0.265	0.195
August (up to the Latest Practicable Date)	0.216	0.165

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any of the Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and the laws of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Codes on Takeovers and Mergers ("Takeovers Code"). Accordingly, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Based on the shareholding structure set out in page 10 of this circular, in the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Mandate which is proposed to be granted at the EGM, the percentage shareholding of such shareholders will be changed to (approximately): Willie International Holdings Limited – 8.88%, Dr. Yang Fan Shing, Andrew and Ms. Liu Lai Shim, Regina – 7.29%, (Please refer to Note 1 in page 10 of this circular), Parkson Group Limited – 6.75%, Unity Investments Holdings Limited – 6.59% and Ms. Kwok Wai Ming – 0.38%. (Please refer to Note 1 in page 10 of this circular). On such basis, the exercise of the Repurchase Mandate in full will not give rise to any obligation on the part of any shareholder to make a mandatory offer under Rule 26 of the Takeovers Code.

SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of the Shares (whether on the Stock Exchange or otherwise) has been made by the Company during the six months preceding the Latest Practicable Date.

NOTICE OF EXTRAORDINARY GENERAL MEETING



FREEMAN CORPORATION LIMITED

民豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Freeman Corporation Limited (the “Company”) will be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 11:00 a.m. on Monday, 27 August, 2007 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:–

ORDINARY RESOLUTIONS

1. “**THAT**

- (i) the terms of the placing agreement dated 11 July, 2007 (the “Placing Agreement”) between the Company and Chung Nam Securities Limited (the “Placing Agent”) pursuant to which the Placing Agent agreed amongst other things to procure, (a) on a best efforts basis, places to subscribe in cash for convertible notes (the “Convertible Notes”) up to the principal amount of HK\$1,250,000,000 and (b) on an underwritten in the aggregate basis, places to subscribe in cash for Convertible Notes in the principal amount of HK\$250,000,000 subject to the terms as set out in the Placing Agreement, entitling the holders thereof to convert the principal amount thereof into new shares of HK\$0.10 each of the Company (the “Conversion Shares”) at an initial conversion price of HK\$0.15 per Conversion Share (subject to adjustment), the details of which are described in the circular of the Company dated 9 August, 2007 be and are hereby approved;
- (ii) the issue by the Company of the Convertible Notes in accordance with the Placing Agreement be and is hereby approved;
- (iii) the allotment and issue by the Company of the Conversion Shares upon the exercise of any of the conversion rights attaching to the Convertible Notes by the holders thereof in accordance with the terms of the Convertible Notes be and is hereby approved; and
- (iv) the directors of the Company be and are hereby authorized to exercise all the powers of the Company and take all steps as might in their opinion be desirable or necessary in connection with the Placing Agreement including without limitation to:
 - (a) the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements with the Placing Agent or any other parties in relation to the issue and allotment of the Convertible Notes and the Conversion Shares;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the issue of the Convertible Notes and the issue and allotment of the Conversion Shares; and
- (c) the taking of all necessary actions to implement the transaction contemplated under the Placing Agreement.”

2. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or, otherwise) by the Directors pursuant to the approval in paragraphs 2(a) and (b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other, arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

3. **“THAT:**

- (a) subject to paragraph 3(c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose and that the exercise by the Directors of all powers of the Company to purchase such securities are subject to all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 3(a) above shall be in addition to any other authorization given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph 3(a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

4. “**THAT** conditional upon the passing of the ordinary resolutions numbered 2 and 3 in the notice convening the meeting of the Company dated 9 August, 2007, the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to and in accordance with the said resolution numbered 3 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the resolution numbered 2 set out in the notice of the meeting of the Company dated 9 August, 2007 provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By order of the board
Kwong Wai Tim, William
Managing Director

Dated 9 August, 2007

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy duly appointed pursuant to the articles of association of the Company is entitled to vote on a show of hands at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.